

OFFICIAL STATEMENT

RAINBOW MUNICIPAL WATER DISTRICT

San Diego County, California

\$3,000,000

1975 WATER BONDS, SERIES A


(General Obligations)

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Bids to be received by a representative of the Board of Directors of the Rainbow Municipal Water District at 10:00 a.m., Tuesday, April 29, 1975, in the offices of Stone & Youngberg Municipal Financing Consultants, Inc., 1541 Wilshire Boulevard, Suite 402, Los Angeles, California 90017.



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RAINBOW MUNICIPAL WATER DISTRICT
San Diego County, California

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Riverside

Rutan & Tucker, Bond Counsel
Santa Ana

Bank of America NT & SA, Paying Agent
Los Angeles and San Francisco

Stone & Youngberg Municipal Financing Consultants, Inc.
Financing Consultants, Los Angeles and San Francisco

The information contained within this Official Statement was prepared under the direction of the Board of Directors of the Rainbow Municipal Water District by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the District.

All of the following summaries of the statutes and resolutions are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The information contained in this Official Statement has been compiled from sources believed to be reliable. The Official Statement contains estimates and matters of opinion, which are not intended as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

*[Stone & Youngberg, municipal financing consultants]
Public utilities water San Diego
water develop. " "
Investments Public securities
Public utilities Fin. " "*

THE DATE OF THIS OFFICIAL STATEMENT IS MARCH 24, 1975

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INTRODUCTION

The Rainbow Municipal Water District is located in northern San Diego County, about 12 miles inland from the City of Oceanside and adjacent to the unincorporated community of Fallbrook. It is 75 miles south of Los Angeles and 40 miles north of San Diego. The District is traversed by Interstate Highway 15, which links the Cities of San Diego and Riverside, and by State Route 76, which provides access to Interstate 15 in Oceanside.

The District covers an area of 47,100 acres, of which approximately 10,300 acres have been developed, primarily in agriculture. More than half of the developed land is planted in avocados. The next most important crop is lemons. The District's climate, soils topography and availability of a dependable water supply all contribute to the success in production of these high-yield crops. Further expansion of avocado and citrus production is expected in the future. There are approximately 13,000 additional acres in the District suitable to these crops.

Urban uses account for approximately 13 percent of the District's developed area. These consist primarily of three recreation-oriented residential developments and a mobile home park. However, agriculture is expected to remain the principal activity within the District.

The population of the District is estimated to be 5,000 people.

The 1974/75 assessed valuation of the District is \$51,006,927 before deduction of homeowners and business inventory exemptions which do not result in any loss of revenues because an amount equal to the taxes which would have been due on such exempt property is paid by the State.

The direct debt of the District following the sale of the \$3,000,000 of 1975 Water Bonds will be \$9,620,000, consisting of \$9,120,000 of general obligation bonds and \$500,000 of short-term notes. The net direct and overlapping debt will be \$16,369,301, excluding the \$5,962 share of City of Oceanside water bonds which are self-supporting and also excluding the District's \$82,433 share of obligations secured by leases to the County.

The proceeds from the sale of the bonds currently being offered for sale will be used to refund \$3,000,000 of Bond Anticipation Notes which were sold on December 17, 1974. The notes were issued to finance the acquisition and installation of additional water transmission lines, two reservoirs, three additional connections to the San Diego Aqueduct and three pressure-reducing stations.

Concurrently with the sale of these bonds the District is offering for sale \$800,000 of bonds for Improvement District No. 5 to finance the extension of water service into the Improvement District.

THE BONDS

AUTHORITY FOR ISSUANCE

The \$3,000,000 principal amount of Rainbow Municipal Water District 1975 Water Bonds, Series A, are being issued pursuant to Resolution No. 628 adopted by the District Board of Directors on March 24, 1975, and under provisions of the Municipal Water District Act of 1911, Division 20 of the California Water Code, commencing with Section 71000.

Pursuant to Section 53541 of the California Government Code, the bonds will be issued in place of an equal principal amount of bonds authorized at a maximum interest rate of seven percent. The bonds represent the first series of \$6,000,000 of bonds authorized by a vote of 762 to 226 at an election held on September 15, 1973.

TERMS OF SALE

Bids for the purchase of the bonds will be received by a representative of the Board of Directors of the District at or before 10:00 a.m., on Tuesday, April 29, 1975, at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., 1541 Wilshire Boulevard, Suite 402, Los Angeles, California 90017. It is anticipated that the Board of Directors will award the bonds at a meeting to be held at 7:30 p.m. of the same day. Details of the terms of sale are included in the Notice Inviting Bids approved on March 24, 1975.

DESCRIPTION OF THE BONDS

The \$3,000,000 principal amount of Rainbow Municipal Water District 1975 Water Bonds, Series A, will be issued in denominations of \$5,000. The bonds will be numbered from A1 to A600, inclusive, and will be dated May 1, 1975. The bonds will mature serially on May 1 of each year, as shown in the tabulation on the following page.

Interest is payable semiannually on May 1 and November 1, commencing November 1, 1975.

Both principal and interest are payable at the Los Angeles and San Francisco Corporation Trust Division of the Bank of America NT & SA, paying agent for the District, or at any paying agent of the District in Chicago, Illinois or New York, New York.

SCHEDULE OF MATURITIES

May 1	Principal Maturing	May 1	Principal Maturing
1978	\$ 75,000	1990	\$200,000
1979-81	100,000	1991-92	225,000
1982-84	125,000	1993	250,000
1985-87	150,000	1994-95	275,000
1988-89	175,000		

REDEMPTION PROVISIONS

The resolution of issuance provides that bonds maturing on or before May 1, 1985 are not subject to call or redemption prior to their fixed maturity dates. Bonds maturing on and after May 1, 1986, a principal amount of \$2,100,000, are subject to call and redemption as a whole or in part in inverse numerical order at the option of the Board of Directors of the District on any interest payment date on or after May 1, 1985, upon payment of the principal amount plus interest to the date of redemption and a premium equal to one-quarter of one percent of the principal amount for each year or portion of a year between the date of redemption and the maturity date. The District will publish in a financial journal or financial newspaper published in the City of New York, New York, a notice of intended redemption at least 30 days, but not more than 60 days, prior to the redemption dates. Written notice of redemption is to be mailed by the District to the holders of any registered bonds designated for redemption.

REGISTRATION

The bonds will be issued as coupon bonds which may be exchanged for fully registered bonds of the same maturity at the option of the holder. Fully registered bonds may subsequently be exchanged for coupon bonds.

LEGAL OPINION

The unqualified opinion of Rutan & Tucker, Santa Ana, California, bond counsel for the Rainbow Municipal Water District, approving the validity of the bonds will be supplied free of charge to the original purchasers of

the bonds. A copy of the legal opinion of Rutan & Tucker, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

TAX EXEMPT STATUS

In the opinion of bond counsel, the interest on the bonds is exempt from present Federal income taxes and from State of California personal income taxes under present Federal and State income tax laws.

PURPOSE OF THE BONDS

The proceeds from the sale of the Series A bonds will be used to refund the \$3,000,000 of Bond Anticipation Notes which were issued to finance the acquisition and construction of the water system facilities, as described in this official statement under the heading "The Project".

SECURITY

Bond principal and interest are payable from annual ad valorem assessments which may be levied without limitation as to rate or amount on all assessable lands within the District provided that, in lieu of levying taxes, the District may use funds derived from water service and standby charges if available for that purpose.

FUTURE ISSUES OF AUTHORIZED BONDS

The District contemplates the issue of the remaining authorized bonds to finance construction of additional water facilities. However, no additional sales are anticipated before January 1976.

ESTIMATED ANNUAL BOND SERVICE

Table 1 shows estimated annual bond service on the 1975 Water Bonds, Series A, together with the actual annual bond service requirements for prior general obligation bond issues of the District. The District also has outstanding \$500,000 of short-term notes for which the following payments of interest and principal will be due in the next two fiscal years: 1975/76 \$219,600; and 1976/77 \$307,350.

Table 1
RAINBOW MUNICIPAL WATER DISTRICT
Estimated Annual Bond Service

Fiscal Year	1975 Water Bonds, Series A			Total Bond Service	Prior Issue Bond Service(1)	Combined Annual Bond Service
	Principal Outstanding	Interest Estimated At 7-1/4%	Principal Maturing May 1			
1975/76	\$3,000,000	\$ 217,500.00	\$ ----	\$ 217,500.00	\$ 492,690.00	\$ 710,190.00
1976/77	3,000,000	217,500.00	----	217,500.00	498,692.50	716,192.50
1977/78	3,000,000	217,500.00	75,000	292,500.00	534,030.00	826,530.00
1978/79	2,925,000	212,062.50	100,000	312,062.50	531,505.00	843,567.50
1979/80	2,825,000	204,812.50	100,000	304,812.50	538,350.00	843,162.50
1980/81	2,725,000	197,562.50	100,000	297,562.50	534,220.00	831,782.50
1981/82	2,625,000	190,312.50	125,000	315,312.50	539,566.25	854,878.75
1982/83	2,500,000	181,250.00	125,000	306,250.00	534,200.00	840,450.00
1983/84	2,375,000	172,187.50	125,000	297,187.50	538,813.75	836,001.25
1984/85	2,250,000	163,125.00	150,000	313,125.00	537,540.00	850,665.00
1985/86	2,100,000	152,250.00	150,000 (2)	302,250.00	540,420.00	842,670.00
1986/87	1,950,000	141,375.00	150,000 (2)	291,375.00	462,617.50	753,992.50
1987/88	1,800,000	130,500.00	175,000 (2)	305,500.00	467,320.00	772,820.00
1988/89	1,625,000	117,812.50	175,000 (2)	292,812.50	466,345.00	759,157.50
1989/90	1,450,000	105,125.00	200,000 (2)	305,125.00	346,717.50	651,842.50
1990/91	1,250,000	90,625.00	225,000 (2)	315,625.00	348,705.00	664,330.00
1991/92	1,025,000	74,312.50	225,000 (2)	299,312.50	349,947.50	649,260.00
1992/93	800,000	58,000.00	250,000 (2)	308,000.00	350,500.00	658,500.00
1993/94	550,000	39,875.00	275,000 (2)	314,875.00	355,267.50	670,142.50
1994/95	275,000	19,937.50	275,000 (2)	294,937.50	259,200.00	554,137.50
1995/96	----	---	----	---	253,100.00	253,100.00
1996/97	----	---	----	---	93,750.00	93,750.00
1997/98	----	---	----	---	94,500.00	94,500.00
Totals:		\$2,903,625.00	\$3,000,000	\$5,903,625.00	\$9,667,997.50	\$15,571,622.50

(1) Amount of debt service for which taxes would have to be levied in fiscal year shown.

(2) Callable on and after May 1, 1985.

THE PROJECT

WATER SUPPLY

The Rainbow Municipal Water District obtains its water supply from the San Diego County Water Authority through Pipelines 1 and 3 of the San Diego Aqueduct. The San Diego Aqueduct currently transmits untreated water obtained from the Colorado River Aqueduct of the Metropolitan Water District of Southern California (MWD). In the future Pipeline 3 will be supplied with a blend of Colorado River Water and State Project water from the MWD Skinner Treatment Plant. Construction of a connection with MWD's Lake Skinner reservoir will be required to deliver State Project water through Pipeline 1 of the San Diego Aqueduct.

PROJECT DESCRIPTION

The proceeds from the sale of the bonds will be used to repay \$3,000,000 of 1975 Bond Anticipation Notes which were sold on December 17, 1974.

The notes were issued to finance the acquisition and installation of water transmission lines; two reservoirs, one of 4,000,000 gallons and the other of 500,000 gallons; construction of three additional connections to the San Diego Aqueduct and installation of three pressure-reducing stations.

ESTIMATED PROJECT COSTS

Table 2 shows an estimate of the costs being met with the proceeds of the 1975 Bond Anticipation Notes.

Table 2
RAINBOW MUNICIPAL WATER DISTRICT
Estimated Project Costs

Transmission Lines	\$2,300,000
Reservoirs	450,000
Aqueduct Connections	150,000
Pressure Reducing Stations	75,000
Legal, Financing and Administration	<u>25,000</u>
Total	\$3,000,000

FINANCIAL DATA

ASSESSED VALUATIONS

The assessed valuation of the Rainbow Municipal Water District is established by the San Diego County Assessor except that utility property is assessed by the State Board of Equalization. The State Board of Equalization reports that San Diego County assessed valuations for 1974/75 averaged 26.6 percent of full cash value. Utility property is reportedly assessed at 25 percent of full cash value.

The Constitution and Statutes of the State of California exempt 50 percent of the assessed value of business inventories and \$1,750 of the assessed value of an owner-occupied dwelling if the homeowner files for the exemption, but revenue lost by each taxing agency as a result of these two exemptions is reimbursed from State funds.

The following table summarizes the 1974/75 assessed valuations of the District before and after giving effect to these exemptions.

RAINBOW MUNICIPAL WATER DISTRICT 1974/75 Assessed Valuations

Tax Roll	Net Assessed Valuation	Homeowner and Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Secured	\$46,775,317	\$1,875,613	\$48,650,930
Utility	1,633,070	----	1,633,070
Unsecured	<u>563,903</u>	<u>159,024</u>	<u>722,927</u>
Total	\$48,972,290	\$2,034,637	\$51,006,927

The growth in assessed valuation of the District over the previous five years is shown in the tabulation on the following page.

RAINBOW MUNICIPAL WATER DISTRICT
Growth in Assessed Valuation

Fiscal Year	Assessed Valuation*
1969/70	\$30,167,160
1970/71	35,431,474
1971/72	39,521,450
1972/73	40,404,643
1973/74	44,981,449

*Assessed valuation for revenue purposes, before deduction of State-reimbursed exemptions.

TAX RATES

Total tax rates per \$100 assessed valuation for the largest Tax Rate Area in the District (1974/75 assessed valuation \$6,733,408 before reimbursable exemptions) for the past three years are presented in the following tabulation.

TAX RATE AREA 75013

Total Tax Rates

Fiscal Year:	1972/73	1973/74	1974/75
San Diego County	\$2.870	\$2.870	\$2.850
Schools and County Education Taxes	3.914	3.927	4.159
Rainbow Municipal Water District	1.200	1.450	1.520
Metropolitan Water District	.160	.160	.150
San Diego County Water Authority	.110	.110	.110
Other Special Districts	<u>1.536</u>	<u>1.422</u>	<u>1.139</u>
Total Tax for all Property	\$9.790	\$9.939	\$9.928
Mission Resources Conservation District (Land Only)	\$.004	\$.002	\$.006

TAX LEVIES AND DELINQUENCIES

Ad valorem taxes of the Rainbow Municipal Water District are collected by the San Diego County Tax Collector at the same time and in the same manner as city and school district taxes. Taxes are payable on November 1 and February 1 and become delinquent on December 10 and April 10, except taxes on certain properties which are assessed on the unsecured roll. Unsecured taxes are assessed on March 1 and become delinquent the following August 31.

Following is a summary of secured tax levies and current delinquencies for the District over the past five years.

RAINBOW MUNICIPAL WATER DISTRICT Secured Tax Levies and Delinquencies

Fiscal Year	Tax Levy	Delinquent as of June 30	
		Amount	Percentage
1969/70	\$337,716	\$14,654	4.34%
1970/71	368,702	21,616	5.86
1971/72	435,591	28,252	6.49
1972/73	472,764	27,461	5.81
1973/74	621,137	66,188	10.66

The high delinquency rate for the 1973/74 fiscal year resulted from the failure to pay taxes by twenty developers financed by the former U.S. National Bank. The largest were Bonsall Highlands Estates, Inc.; Hargrove Ranches, Inc.; Keystone Brokerage Company; San Luis Rey Downs, Inc.; San Luis Rey Estates; Southern Counties Realty, Urick & Hollis Corp.; and, Westgate California Realty. The rate of delinquency in the balance of the District was 5.30 percent.

WATER RATES

The Rainbow Municipal Water District provides water service on both a wholesale and retail basis. Water is sold on a wholesale basis to the Bonsall Heights Water District and the Yucca Mutual Water Company. Water is sold on a retail basis for both agricultural and non-agricultural uses.

District water rates, which became effective July 1, 1974, are shown on the following page.

RAINBOW MUNICIPAL WATER DISTRICT
Water Rates

Service Charges

Meters 1" & Under (read bi-monthly)	\$ 4.50 per mo.
Meters 1" & Under (all others)	5.00 per mo.
Meters 1½" and 2"	6.00 per mo.
Meters 3"	10.00 per mo.
Meters 4" and 6"	15.00 per mo.
Additional dwelling units - each	2.00 per mo.
Mobilehome space	2.00 per mo.
Additional commercial uses	2.00 per mo.
Motel room with bath	1.00 per mo.

Quantity Rates Per 100 Cubic Feet	<u>Agriculture</u>	<u>Others</u>
First 2,600 Cubic Feet	21¢	21¢
Over 2,600 Cubic Feet	13¢	21¢

Pumping Charges*

Rainbow Heights	4.8¢ per 100 cu. ft.
Improvement District U-1	2.3¢ per 100 cu. ft.

Meter Turn On Charge	\$10.00 per mo.
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Charges for Service Connections

<u>Meter Size</u>	<u>New Meter Installation</u>	<u>Service Lateral Only</u>
3/4"	\$250	\$150
1"	300	150
1-1/2 "	500	210
2" disc	700	250
2" compound	950	250
3"	Cost plus 15% - Deposit \$1,800	
4"	Cost plus 15% - Deposit \$2,500	
Fire Hydrant Installation	Cost plus 15% - Deposit \$1,100	

*Added to water rates in areas indicated.

REVENUES AND EXPENDITURES

Table 3 shows a summary of District revenues and expenditures for the past five years, as reported in the annual audits. The drop in 1972/73 revenue was due to a wet year which resulted in reduced sales of irrigation water.

DIRECT AND OVERLAPPING BONDED DEBT

Table 4 shows a statement of the direct and overlapping bonded debt of the District, including the bonds currently being offered for sale.

Table 3
 RAINBOW MUNICIPAL WATER DISTRICT
 Summary of Revenues and Expenditures

Fiscal Year	1969/70	1970/71	1971/72	1972/73	1973/74
REVENUES					
Water Sales	\$ 716,616	\$ 782,659	\$ 981,140	\$ 819,257	\$ 977,570
Taxes and Annexation Charges	459,543	531,571	580,653	640,530	760,332
Service and Connection Charges	152,956	187,160	306,075	313,337	356,577
Other Revenues	<u>96,214</u>	<u>105,327</u>	<u>138,751</u>	<u>94,575</u>	<u>208,113</u>
Total Revenues	\$1,425,329	\$1,606,717	\$2,006,619	\$1,867,699	\$2,302,592
EXPENDITURES					
Operating Expenses	\$ 765,902	\$ 853,788	\$1,081,989	\$1,055,773	\$1,318,485
Debt Service	310,467	312,159	407,162	393,934	331,231
Depreciation	<u>168,023</u>	<u>192,259</u>	<u>209,878</u>	<u>342,764</u>	<u>470,105</u>
Total Expenditures	\$1,244,392	\$1,358,206	\$1,699,029	\$1,792,471	\$2,119,821
NET INCOME	\$ 180,937	\$ 248,511	\$ 307,590	\$ 75,228	\$ 182,771

Table 4
RAINBOW MUNICIPAL WATER DISTRICT
Statement of Direct and Overlapping Bonded Debt

Estimated Population	5,000
1974/75 Assessed Valuation	\$ 51,006,927
Estimated Market Value	\$192,148,000 (1)

DIRECT AND OVERLAPPING BONDED DEBT	% Applicable Debt	April 29, 1975 (2)
San Diego County	1.014%	\$ 57,950 (3)
San Diego County Water Authority	1.068	599,789
Metropolitan Water District	0.142	784,130
Palomar Junior College District	6.527	165,655
Fallbrook Union High School District	34.900	387,390
Bonsall Unified School District	68.978	638,736
Fallbrook Unified School District	21.419	459,652
Vallecito School District	100.000	21,000
Other School Districts	Various	10,420
Rainbow Municipal Water District (1955-62 Issues)	97.498	1,779,339
Rainbow Municipal Water District (Subsequent Issues)	100.000	7,295,000 (4)
Rainbow Municipal Water District General Obligation Notes	100.000	500,000
Rainbow Municipal Water District Water Improvement Districts	100.000	1,590,000 (4)
Rainbow Municipal Water District Sewer Improvement Districts	100.000	1,210,000
Bonsall Heights Water District	100.000	100,000
Morro Hills Community Services District	91.701	55,021
Fallbrook Local Fire District	43.304	14,290
Fallbrook Hospital District	26.954	582,206
Northern San Diego County Hospital District	0.832	54,621
Tri-City Hospital District	0.158	5,728
City of Oceanside and Small Craft Harbor	0.552	64,336

TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT	\$16,375,263
Less: City water bonds (100% self-supporting)	5,962

TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT	\$16,369,301
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	Percentage Of		
	Assessed Valuation	Market Value	Per Capita
Assessed Valuation	-- %	-- %	\$10,201
Direct Debt	18.770	4.980	1,915
Gross Direct and Overlapping Bonded Debt	32.100	8.520	3,275
Net Direct and Overlapping Bonded Debt	32.090	8.520	3,274

(1) The State Board of Equalization reports that 1974/75 San Diego County Assessed Valuations averaged 26.6 percent of full cash value, except for utility property which is assessed by the State, reportedly at 25 percent.

(2) Excluding sales, if any, between March 24, 1975 and April 29, 1975, except for the bonds currently being offered for sale by the District and the \$800,000 of bonds for Improvement District No. 5 being offered for sale on the same day.

(3) Excludes \$88,466 share of bonds secured by leases to San Diego County.

(4) Including bonds to be sold April 29, 1975.

THE DISTRICT

The Rainbow Municipal Water District is located in the inland portion of northern San Diego County. It is 75 miles south of Los Angeles and 40 miles north of San Diego. The District is generally bounded by Riverside County, Camp Pendleton Marine Corps base, the unincorporated community of Fallbrook and the City of Oceanside (although a portion of the City extends into the District).

The District covers an area of 47,100 acres, of which approximately 10,300 acres have been developed, primarily in agriculture. The majority of the developed land is planted in avocados. The next most important crop is lemons. Urban uses cover only 13 percent of the developed area and these consist mainly of recreational developments.

DISTRICT ORGANIZATION

The Rainbow Municipal Water District was organized on December 20, 1953, under the Municipal Water District Act of 1911 (commencing with Section 71000 of the California Water Code). The Board of Directors is composed of five members who are elected by divisions of the District for four-year alternating terms, with the president being elected by the Board from among its members. Advisory Committees composed of residents from all divisions of the District assist the Board in identifying and solving water problems and in financial planning. Operation, maintenance, and administration of the system is carried out by a staff of 26 employees under direction of the General Manager.

The principal activity of the District is the development and operation of a water transmission and distribution system capable of delivering both irrigation and domestic water throughout the District. Approximately 93 percent of the water is used for agriculture while about 7 percent is sold for domestic use. In addition to water service, the District provides domestic sewerage collection and disposal service to three developing areas within its boundaries.

District policy is to provide, as a district-wide obligation, all main water storage and transmission facilities and to organize improvement districts where desired by the landowners to finance the construction of distribution facilities. Where subdivided areas desire sewerage collection disposal facilities, they are either installed by the developer or through the formation of improvement districts. There are presently three sewer improvement districts, each with a treatment plant. However, one of the treatment plants will be phased out upon completion of an interceptor line to the municipal sewerage plant at Oceanside.

POPULATION AND WATER USE

The tabulation below summarizes the estimated population and growth in water use within the District over the past five years.

RAINBOW MUNICIPAL WATER DISTRICT Estimated Population and Water Use

Year	Estimated Population	Water Consumption in Acre Feet		
		Agricultural	Domestic	Total
1970	4,200	16,105	1,095	17,200
1971	4,400	15,700	1,200	16,900
1972	4,500	17,800	1,360	19,160
1973	4,650	15,120	1,060	16,180
1974	4,750	17,857	1,251	19,108

CLIMATE AND TOPOGRAPHY

Climatic conditions within the District are typical of Southern California, with the exception that the Santa Margarita Mountains partially shield it from moderating cool sea breezes so that it shows greater temperature extremes than most coastal areas. Rainfall generally is confined to the period between November and April and averages 15 inches per year.

The topography of the District ranges from relatively level valley lands to steeply sloping ridges with long, narrow canyons. Elevations vary from 120 feet in the San Luis Rey River basin to mountains over 2,200 feet high.

The configuration of land enables dense, cold air to slide off the valley sides, which results in a low incidence of frost, a condition essential to the growth of avocados and citrus.

AGRICULTURE

Despite its growing urbanization, San Diego County remains the leading producer of avocados in the United States. During the past decade overall acreage planted to avocados has declined as groves in the southern portion of the County have been replaced with commercial, industrial and residential developments. However, this trend has been accompanied by a growth in planting

in the northern portion of the County, especially in the Rainbow Municipal Water District. In 1974, there were 6,109 acres of land planted to avocados within the District. This represented approximately 46 percent of the total acreage in the County devoted to avocados.

Another important agricultural crop in the District is lemons. Approximately 1,329 acres were devoted to lemon groves in 1974.

Avocado and citrus growing in the District originally developed primarily in relatively large commercial groves. Of late, there has been an increase in the number of smaller groves developed to provide a second or retirement income.

Further expansion of avocado and citrus production is expected in the future. There are approximately 13,000 additional acres in the District suitable for these crops.

Other agricultural production consists of animal husbandry (384 acres), row crops (338 acres), horticulture (276 acres), vineyards (248 acres) and field crops (54 acres).

EMPLOYMENT AND INDUSTRY

Employment within the District and immediate area is primarily in the field of agriculture and related industries. Important in the agricultural field is the Fallbrook Citrus Association, which is associated with Sunkist, and Calavo Growers Association. The second most active area of employment is in the trade and service categories, followed by residential and commercial construction. Located within commuting distance of the District at Oceanside and at Carlsbad are such industrial employers as the Deutsch Company (700 employees), Hughes Aircraft Company (360 employees), and the Burroughs Corporation (325 employees).

CONSTRUCTION ACTIVITY

The majority of construction activity within the District centers around residential building in and near three recreation-oriented developments.

Pala Mesa, a 2,500-acre development located in the mid-eastern portion of the District on Interstate 15, includes both residential-community and residential-estate type parcels. The main features include an 18-hole championship golf course, underground electric telephone and television cables, and central clubhouse facilities. In addition, a public restaurant and 84-unit motel com-

plex have been completed adjoining the golf course. The developers of Pala Mesa also are associated with Pauma Heights, a 700-acre residential/agricultural development near Escondido.

The Valley Oaks Mobile Community, bordering the Pala Mesa Golf Course and Live Oak Park, a county facility, offer the mobile home resident a choice of more than 200 rental sites. The central clubhouse includes a swimming pool, meeting rooms and sauna baths.

Both Laketree Estates and Live Oak Estates offer sites for custom-built homes overlooking the Fallbrook Country Club, located in the District. The 18-hole golf course, which was completed in 1964, has become a favorite for local golfing enthusiasts. Additional new homes are being constructed in the area each year.

San Luis Rey Downs, a development by Westgate-California Corporation, adjacent to the community of Bonsall, includes a thoroughbred training facility with a mile-long track and accommodations for 330 horses, a recreation center and townhouses in the \$60,000 range. An 18-hole golf course is on the property.

TRANSPORTATION

The Rainbow Municipal Water District is traversed by Interstate 15 (US 395), the major north-south route connecting the cities of San Diego and Riverside, and is just a few miles east of Interstate 5, California's main north-south route. Bus service to adjoining communities, as well as the metropolitan centers of San Diego and Los Angeles, is available in Fallbrook via Greyhound Bus Lines.

The Santa Fe Railway provides freight service, primarily for agricultural products to marketing centers. Amtrak-operated passenger trains with connections throughout the nation may be boarded at Oceanside, ten miles to the west. San Diego International Airport (Lindbergh Field) is the main air terminus for the county. The airport is served by eight scheduled passenger lines which also offer freight and express service. Fallbrook Air Park, approximately five miles from the District is a general aviation facility.

UTILITIES

Rainbow Municipal Water District is provided gas and electric service by San Diego Gas and Electric Company. Telephone service is provided by Pacific Telephone and Telegraph Company.

BANKING

Banking facilities locally available to residents of the District include branches of the Bank of America NT & SA, Security Pacific National Bank and Southwest Bank in Fallbrook. Additional banking and savings and loan facilities are available in Oceanside.

EDUCATION

Public education is provided in the Rainbow Municipal Water District primarily by the Bonsall Unified School District, Fallbrook Unified School District, Vallecitos School District and the Fallbrook Union High School District. Palomar Community College, located 10 miles south of the District in San Marcos, is a two-year community college. Many colleges and universities are available in the San Diego area and in the neighboring counties of Orange and Riverside.

RECREATION

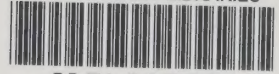
A total of 592 acres within the District are devoted to recreational uses. Included are the three golf courses described under "Construction Activity" and Live Oak County Park. Five other golf courses are within convenient driving distance. Mount Palomar, site of the world famous Palomar Observatory and a newly opened ski area, lies within one hour's driving time in the Cleveland National Forest. Located in Oceanside are an extensive white-sand public beach, a municipal pier and a small craft harbor.

COMMUNITY FACILITIES

The District is served by the local weekly Fallbrook Enterprise and daily newspapers from the Los Angeles and San Diego metropolitan centers. A community antenna television service provides reception from both Los Angeles and San Diego as well as stations located in adjoining communities. Practically every denomination is represented by some 21 churches.

Medical assistance is available at the modern Fallbrook Community Hospital which has 68 beds. More than twenty physicians, surgeons and dentists maintain offices in the community area.

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